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SENATE

{ REPORT
108-267

ARCH HURLEY CONSERVANCY DISTRICT, NEW MEXICO

MAY 20, 2004.—Ordered to be printed

Mr. DOMENICI, from the Committee on Energy and Natural Resources, submitted the following

R E P O R T

[To accompany S. 1071]

The Committee on Energy and Natural Resources, to which was referred the bill (S. 1071) to authorize the Secretary of the Interior, through the Bureau of Reclamation, to conduct a feasibility study on a water conservation project within the Arch Hurley Conservancy District in the State of New Mexico, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill, as amended, do pass.

The amendment is as follows:

On page 3, line 5, strike “\$500,000” and insert “\$2,500,000”.

PURPOSE OF THE MEASURE

S. 1071 would direct the Secretary of the Interior to conduct a feasibility study on a water conservation project within the Arch Hurley Conservancy District in the State of New Mexico.

BACKGROUND AND NEED

The legislation authorizes the Secretary of the Interior to conduct a feasibility study on a water conservation project within the Arch Hurley Conservancy District in eastern New Mexico, near Tucumcari, New Mexico. The Conservancy District receives its water supply from Conchas Lake on the Canadian River and delivers it through an unlined canal to irrigate approximately 41,400 acres of farmland in the area. The district has suggested the possibility of lining the canal to eliminate a large amount of seepage which could make available a portion of the saved water to address water supply needs in the Pecos River basin. The non-conveyed

water would be available to shore up the District's supply in times of drought.

LEGISLATIVE HISTORY

S. 1071 was introduced by Senator Bingaman on May 15, 2003 and was referred to the Committee on Energy and Natural Resources. The Subcommittee on Water and Power held a hearing on S. 1071 on October 15, 2003. S. Hrg. 108–271. The Committee on Energy and Natural Resources ordered S. 1071, as amended, favorably reported on April 28, 2004.

COMMITTEE RECOMMENDATION

The Committee on Energy and Natural Resources, in open business session on April 28, 2002, by a unanimous voice vote of a quorum present, recommends that the Senate pass S. 1071, as amended as described herein.

COMMITTEE AMENDMENTS

During the consideration of S. 1071, the Committee adopted an amendment to increase the authorization amount from \$500,000 to \$2,500,000.

SECTION-BY-SECTION ANALYSIS

Section 1, subsection (a) authorizes the Secretary of the Interior, through the Bureau of Reclamation, and in consultation and cooperation with the Arch Hurley Conservancy District and the State Engineer in New Mexico, to conduct a feasibility study regarding implementation of a water conservation project that will minimize water losses from the irrigation conveyance works of the District.

Subsection (b) requires the Secretary, upon completion of the feasibility study, to transmit a report of the results to the Congress. The subsection also requires the Secretary to utilize relevant reports and other information supplied by the District or the State Engineer.

Section 2, subsection (a) authorizes \$2,500,000 to carry out the Act.

Subsection (b) provides that the Federal share of the costs shall not exceed 50 percent of the total unless the Secretary waives or limits the non-Federal share upon a demonstration that the District is unable to contribute the required share. The subsection also authorizes the Secretary to accept in-kind services from the District as part of the non-federal cost share contribution.

COST AND BUDGETARY CONSIDERATIONS

The following estimate of costs of this measure has been provided by the Congressional Budget Office:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 3, 2004.

Hon. PETE V. DOMENICI,
Chairman, Committee on Energy and Natural Resources,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1071, a bill to authorize the Secretary of the Interior, through the Bureau of Reclamation, to conduct a feasibility study on a water conservation project within the Arch Hurley Conservancy District in the state of New Mexico, and for other purposes.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Julie Middleton.

Sincerely,

ELIZABETH ROBINSON
(For Douglas Holtz-Eakin, Director).

Enclosure.

S. 1071—A bill to authorize the Secretary of the Interior, through the Bureau of Reclamation, to conduct a feasibility study on a water conservation project within the Arch Hurley Conservancy District in the state of New Mexico, and for other purposes

Summary: S. 1071 would authorize the Secretary of the Interior through the Bureau of Reclamation to conduct a study to determine the feasibility of implementing a water conservation project in the Arch Hurley Conservancy District in New Mexico. The bill would authorize the appropriation of \$2.5 million to conduct this study.

Assuming appropriation of the authorized amount, CBO estimates that implementing S. 1071 would cost \$2.5 million over the 2005–2009 period. Enacting the bill would not affect direct spending or revenues. S. 1071 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1071 is shown in the following table. The costs of this legislation fall within budget function 300 (natural resources and environment). For this estimate, CBO assumes that S. 1071 will be enacted before the end of fiscal year 2004 and that the authorized amount will be appropriated in fiscal year 2005. Outlay estimates are based on historical spending patterns of similar projects.

	By fiscal year, in millions of dollars—				
	2005	2006	2007	2008	2009
CHANGES IN SPENDING SUBJECT TO APPROPRIATION					
Authorization level	3	0	0	0	0
Estimated outlays	2	1	0	0	0

Intergovernmental and private-sector impact: S. 1071 contains no intergovernmental or private-sector mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

Estimate prepared by: Federal Costs: Julie Middleton. Impact on State, Local, and Tribal Governments: Marjorie Miller. Impact on the Private Sector: Paige Piper/Bach.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT EVALUATION

In compliance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee makes the following evaluation of the regulatory impact which would be incurred in carrying out S. 1071. The bill is not a regulatory measure in the sense of imposing Government-established standards or significant responsibilities on private individuals and businesses.

No personal information would be collected in administering the program. Therefore, there would be no impact on personal privacy.

Little, if any, additional paperwork would result from the enactment of S. 1071.

EXECUTIVE COMMUNICATIONS

On March 5, 2004, the Committee on Energy and Natural Resources requested legislative reports from the Department of the Interior and the Office of Management and Budget setting forth executive views on S. 1071. These reports had not been received at the time the report on S. 1071 was filed. When the reports become available, the Chairman will request that they be printed in the Congressional Record for the advice of the Senate. The testimony provided by the Department of the Interior at the Subcommittee hearing follows:

STATEMENT OF JOHN W. KEYS III, COMMISSIONER BUREAU OF RECLAMATION, U.S. DEPARTMENT OF THE INTERIOR

Madam Chairman, my name is John Keys III and I am the Commissioner of the Bureau of Reclamation (Reclamation). I am pleased to be here today to present the views of the Department of the Interior (Department) regarding S. 1071, which would authorize a feasibility study on water conservation within the Arch Hurley Conservancy District (District). The feasibility study will also identify options for using saved water and cost sharing options, including debt relief for the District. We could support S. 1071 with modifications to Section 2(a), authorization of appropriations.

The District is currently suffering from a severe drought. In 2002, the District members received 3 inches of water per acre, only 17% of their maximum allotment. The water was delivered in a period of six-weeks. In 2003, no water was delivered to any of the District members. The District has a history of low water supply and has experienced trouble meeting repayment obligations. Deferrals of the annual repayment were made in 1975, 1976, 2002, and 2003.

The low water supply has had significant impacts on the irrigation system. Primarily, maintenance has been deferred and portions of the system are in disrepair. If the

feasibility study identifies debt relief as a benefit for the District, the funds once used for debt payments will be available for maintenance of the irrigation system. Furthermore, the feasibility study will consider making some of the saved water available to the District, resulting in an increased water supply.

We believe that a feasibility study is appropriate to consider whether conveying saved water to the Pecos River is practicable. Conveying the water to the Pecos River has many benefits. Like many other western rivers, the Pecos River is over allocated, contains a threatened species, and is in danger of violating the interstate compact. This year the state of New Mexico delivery shortfall to Texas may reach 6,000 acre-feet. Under no circumstances is the state of New Mexico allowed to provide less than required by the compact. Additionally, the Pecos River has target flows to prevent jeopardy of the threatened Pecos Bluntnose Shiner. Conserved water from the District will provide flexibility when meeting the identified target flows. Importation of the saved water into the Pecos River Basin will reduce impacts from the Endangered Species Act to Pecos Valley farmers.

With respect to S. 1071, the Department is primarily concerned with the amount of \$500,000 authorized in Section 2(a) to complete the study. Our total cost estimate for the feasibility study is \$2,500,000. Reclamation recommends up to \$2,500,000 be authorized.

Madam Chairman that concludes my remarks and I would be happy to respond to any questions the Committee may have.

CHANGES IN EXISTING LAW

In compliance with paragraph 12 of rule XXVI of the Standing Rules of the Senate, the Committee notes that no changes in existing law are made by the bill S. 1071, as ordered reported.

